RESEARCH PROPOSAL FOR Ph.D. IN ECONOMICS AT SWAMI RAMANAND TEERTH MARATHWADA UNIVERSITY, NANDED.

A STUDY ON BEHAVIOURAL ECONOMICS ASPECTS OF POVERTY WITH REFERENCE TO RURAL BPL FAMILIES IN NANDED DISTRICT (2000 -01TO 2020-21)

RESERCHER

WADIKAR AMIT SURESHRAO

M.A ECONOMICS (SET)

RESEARCH GUIDE

DR. ASHOK TIPARSE

HEAD OF DEPT. OF ECONOMICS DEGLOOR COLLEGE DEGLOOR

SWAMI RAMANAND TEERTH MARATHWADA UNIVERSITY, NANDED

MARCH 2022

Introduction

"Let the portrait of poverty Appear in its naked form, without any pretension, in the limelight" (Mitra, 2010)

Much of economics is neat and elegant; but some of it is not; this was one of the popular quotes in welfare economics. The word poor have only four English alphabets but the term is more peculiar than any other words in the study of economics. In the literature of economics several prominent economist took initiative and presented several theories on poverty meanwhile, still we don't have any such singular theory which has all aspects of poverty. The much attention as a matter of concern to the subject of poverty attracted by work done by Karl Marx, J.schumpeter, Ragnar Nurskse, Rosenstein Rodan and The new generation economists such as Amartya sen, John rawls , pak solhin ,Jeffery sachs, Jorge akerlof, jean dreze , MIT base economists Esther Duflo , Abhijit banerjee. Other honorary economists like Pranb bardhan, Suresh tendulkar and so on.

My subject interest in poverty develops by above all economist work which I had studied in my master degree. The most influencing book in welfare economics is by amarty sens 'commodity and capability, also collective 'choice and social welfare' the recent dynamic perspectives of poverty endorsed by very innovative way by Abhijit banerjee & Esther Duflo in their book ' poor economics' through these book they opens new corridor for other researcher to consciously investigate the subject issue of poverty

The title to some extent I chose is base on an approach of pioneered by an economists like "Gorman and Lancaster,'' they proposed all goods possess characteristics, ultimately every choosing commodities has characteristics and due to this theorem we are able to draw individual peoples commodity preferences. In case of minimum Budget Constraint particularly 'Poverty Line', where we are suppose to observe what set of commodities the poor people are consuming and through this we have to bring their commodity preferences. once we are able to prefer axiomatically their preference of commodities; we are then able to draw their consumption pattern. Consumption pattern in this case revel their mentality to choosing a particular set of commodity and through this we can draw their behavioural pattern of selecting a commodities. In re introspective manner I read, "Poor Economics" of Abhijit Banerjee where he doubt over poor people's psychology of selecting a commodities are not following the norms of minimum living rather it is inclined with mainstream fashion or mainstream culture and so on. Also According to Dr. Amarty sen commodities transfer into the capabilities! For this he illustrated a beautiful example of a bicycle (as supposing a kind of commodity), as bicycle it has several characteristics, viz; transportation through a person can travel easily for school, for work, for other of reason. So far it has been pointed out commodities are pivotal for understanding about poor people's behaviour, consumption pattern, and their monthly expenditure on it. In my study I am going to focus

on better social behavioural choices for those who are living in minimum level of income. My centre interest is ultimately about what the lives and choice the poor tell us about how to fight poverty. With the help of this study, I will try to analyse the issue and possible solutions of why poverty persist India for such a long time.

Who are the poor in India?

The fact is nobody quite knows. There are various estimates on the exact number of poor in India, and the counts have been mired in controversy.Poverty line estimation in India is based on the consumption expenditure and not on the income levels. Poverty is measured based on consumer expenditure surveys of the National Sample Survey Organization. A poor household is defined as one with an expenditure level below a specific poverty line. The incidence of poverty is measured by the poverty ratio, which is the ratio of the number of poor to the total population expressed as a percentage. It is also known as head-count ratio. Alagh Committee (1979**)** determined a poverty line based on a minimum daily requirement of 2400 and 2100 calories for an adult in Rural and Urban area respectively. Subsequently different committees; Lakdawala Committee (1993), Tendulkar Committee (2009), Rangarajan committee (2012) did the poverty estimation. As per the Rangarajan committee report (2014), the poverty line is estimated as Monthly Per Capita Expenditure of Rs. 1407 in urban areas and Rs. 972 in rural areas.

Review of literature

We referred many books and journal articles for the comprehensive understanding about the core issue of a subject.

Commodities and Capabilities

In this book Amartya sen presents a set of commodity and capability approach and this approach can be used to examine the underlying determinants of the relationship between people and commodities including individual psychology, distribution within the family and so on.

Identity economics

Identity economics provides an important and compelling new way to understand human behaviour, revealing how our identities—and not just economic incentives—influence our decisions. Nobel Prize-winner George Akerlof The authors explain how our conception of who we are and who we want to be may shape our economic lives more than any other factor, affecting how hard we work, and how we learn, spend, and save. This work is really important for us to understanding poverty in different behavioural perspective including identity one.

Poor Economics -

Abhijit Banerjee and Esther Duflo argue that so much of anti-poverty policy has failed over the years because of an inadequate understanding of poverty. The battle against poverty can be won, but it will take patience, careful thinking and a willingness to learn from evidence. Banerjee and Duflo is a practical visionary whose meticulous work offers transformative potential for poor people anywhere, and is a vital guide to policy makers, philanthropists, activists and anyone else who cares about building a world without poverty. Poor Economics is ultimately about what the lives and choices of the poor tell us about how to fight global poverty. It helps us understand, for example, why microfinance is useful without being the miracle some hoped it would be; why children of the poor can go to school year after year and not learn anything; why the poor don't want health insurance etc.

Choices, values and frames -

The author Daniel Kahneman presents an empirical and theoretical challenge to classical utility theory, offering prospect theory as an alternative framework. Extensions and applications to diverse economic phenomena and to studies of consumer behaviour are discussed. This useful book gives us a new insight into the study of poor people's consumer behaviour approach to understand.

Nudge -

Nobel laureate Richard Thaler book Nudge is important for us to know about how we make choices and how we can make better ones. Using dozens of eye-opening examples and drawing on decades of behavioural science research, by knowing how people think, we can use sensible "choice architecture" to nudge people toward the best decisions for ourselves, our families, and our society, without restricting our freedom of choice.

Few research papers

The psychology and behavioural economics of poverty (Journal of Economic Psychology Volume 32, Issue 2, March 2011, Pages 284-293)

The paper provides an overview and assessment of an emerging literature on the psychology and behavioural economics of poverty. We particularly highlight poverty experiences, role of neighbourhoods, poverty dynamics and transmission, child poverty and disability and personal finance. In addition we consider psychology and policy responses by looking and autonomy and empowerment, and poverty reduction programs.

The Influence of Randomized Controlled Trials on Development Economics Research and on Development Policy (Paper prepared for "The State of Economics, The State of the World" Conference proceedings volume 12 September 11, 2016 Abhijit Vinayak Banerjee Esther Duflo Michael Kremer)

The remarkable growth in the number of RCTs, and more generally in the importance of empirical development economics as a field, is in itself a dramatic change. The type of development research that is carried out today is significantly different from research conducted even fifteen years ago. A reflection of this fact is that many researchers who were openly sceptical of RCTs, or simply belonged to an entirely different tradition within development economics.

Research gap -

It has been clear for now just estimating through calories mapping or through per day expenditure are not sufficient condition to understand poverty. For deliberate more about poor people's behavioural -cultural identities, their choices of commodity preferences are also important. even in multidimensional poverty index (MPI) behavioural decisions process has not been examine due to all these important concern its urgently required to know how exactly poor people things .

Scope of Study –

So far it has been pointed out commodities are pivotal for individuals for their own well beingness though poor rural people's behavior, consumption pattern and their monthly expenditure on it are important ways to find out their social behavioral functioning. My central interest is ultimately about what the lives and choice of the poor tell us about how to fight poverty. It helps us to understand some of prima face inquiries such as why very less poor people are capable to get out trap of poverty. Why only few poor people cover with health insurance, and so on. Also the scope of our study to examine the role of panchayati raj system in concern to public assets or particularly in collective choice of welfare through we have hope to improve education, banking and other activities in rural area.

Need of study -

Nanded is one of the backward districts in marathwada and due the most of the rural population depends on agricultural economy and unfortunately last several decades the area face an agrarian crisis. This area mostly comes under drought prone. The recent drought has been supplemented many new problems among existence ones, which created, 'the debt problem' the area in kinwat site faces' widespread of hunger and many students due to lack of availability of ground water

are drop out from school though after the 'covid' shock many rural student hardly get any virtual education due to unavailability of mobile and electricity. The recent covid shock and climate change are not limited only towards income cap of poor people it is even more about their psychological and behavioral changes.

Significance of study-

With the help of proper survey and rigorous study I want to develop more comprehensive models on behavioural poverty. Through this study we are able to understand the role of cast in poverty the role of panchayati in poverty and the more specifically the role of psychology of individual in decision making process of choices selection, which they have with concern to their house hold budget constraint. I too interested to develop a proper theoretical and analytical prospect of capability model of poverty.

Objectives of study –

- To understand about poor families monthly expenditure over different commodities and distribution of these commodities in between family members
- To know more about poor families commodity preferences and consumption pattern
- Evaluation of the role of MPI in lens of behavioural aspects of poverty
- Suggesting superior information model for designing better preferences and choices

Hypothesis –

- Preference relations are binary and reflexive
- Poor families capabilities can be achievable through proper designing of behavioural change
- Commodities are as a bundle of characteristics Preferences can be ordering
- Better or superior information can alter the capabilities of poor

Assumption-

- The people we are describing as the poor are the long- term poor in the sense that their permanent income is actually close to their observed consumption.
- For choices of commodities to people it means we assume there will be two commodities available for every choices of commodity.

Research methodology-

Our research study is based on analytical perspective

Sample selection

In our research we are covering all thalukas of nanded district in that we divided all 16 thalukas in random sampling method of 5 villages from each thalukas and collecting at last 10 samples from one village means ultimately one thaluka covering 50 samples. The final calculation of primary house hold survey is almost 800 samples in nanded district.

After collecting these samples in primary level we will then use RCT method at least for five selected villages of any thaluka and then after working with these poor people, we will find these results with previous survey

Tools and techniques-

- Primary survey through Field visit and questionnaire
- Secondary data
- ethonogorphical observation
- Tabulation
- Calculus , functional relationship
- SPSS and Microsoft -excel
- Mathematical and econometrical model such as correlation , regression techniques

Chapter scheme:

Chapter I

This chapter throws light on the importance of studying rural poverty in India. With the help of recent data and statistics, it highlights the living conditions of the rural poor and their monthly consumption. Further, it explains in brief the efforts taken by the government so far in case of measurement of poverty along with the need to incorporate multidimensionality of poverty. Finally, the definitions of rural poverty and their behaviour that have been followed in the study have also been explained

Chapter II

Chapter 2 has been divided into following two parts: a) Critical evaluation of government's efforts; and b) Researchers' efforts. Since the government's efforts with respect to measurement of poverty have been explained in brief in chapter 1, it is explained in great detail in chapter 2. Further, various issues in case of estimation of poverty have also been incorporated. An attempt has been made to explain the way in which various researchers have tried to overcome the lacunae in case of the government's efforts. To incorporate the government's and researchers' efforts various books, research papers, reports, newspaper articles, etc. have been referred. Finally, importance of the present study has been highlighted by explaining the way in which it is going to be different from the studies conducted so far.

Chapter III

In this chapter we will Presents an overview of India's history of poverty, estimation and policy and the study of our ground reality of field work and observation, investigation with people about various government schemes they are getting and their benefits they received.

Chapter IV

In this chapter we will Studying poor people's monthly consumptions and their commodity preferences and investigating more about the role of panchayati raj system as a public asset buildings through this understanding more about collective choices and their social behavioral patterns and knowing more about the role of identity ,culture and cast system in poverty . Though in this chapter we will do study of secondary data of NSSO on consumption of poor families across the India and we will check out our primary data with them.

Chapter V

In this chapter we will highlights the demographic, social and economic characteristics of all thalukas of nanded district .also we will do careful study of their cast and cultural identity plus their quantum differences of behavioural thinking through cast through gender and through self awareness of their life and so on

Chapter VI

This chapter throws light on the importance of understanding the lived realities of the poor which are so different from our understanding of their poverty. Since the poor people also take various measures to get out of the poverty trap along with the government and NGO, the study tries to capture the measures that they all have been taking. Moreover, some of the schemes implemented by the government of India for poverty alleviation have been described in brief. The evolution of the PDS system over the years has been described in the chapter.

Chapter VII

Consolidate the findings of the study. Suggestions and conclusion for selected research topics.

Expected outcomes –

- our study will show us knew pattern and orientations of understanding of poverty
- our study will show how capabilities will achieve
- through our study we will able to designing for the better choice preferences
- our study will show us how panchayati raj system are capable for sound collective choices and for eradication of poverty

Limitations of study-

- we are only taking count of behavioural and social choices it may possible other dimension or variable play a crucial role in understanding of poverty
- Study may lack in adequate primary data due to the low literacy rate in rural India.
- Only one district we are going to cover so stochastic variable may possible

Plan of work

1st year	Plan
	Literature Collection
	Submission of Progress Report
	Pilot Study
	Submission of Progress Report
	Start Experimental Test
2nd year	Detail Study
	Data Collection
	Compilation of Data
	Preparation of Research Report
	Submission of Progress Report
	Submission of Utilization Certificate
3rd year	Use of SPSS Software
	Preparation of Graphs
	Data Interpretation
	Final Compilation of Data
	Preparation of Research Paper & Communicating it for Publication
	Report writing
	Submission of Final Report

Bibliography:

1. Akerlof, G. Identity economics (2011). Princeton university press.
2. Banerjee, V. A., & Duflo, E. (2013). Poor economics – Rethinking poverty and the ways to end it. UP: Random House India.
3. Dalal, J. (2015, February 21). The indelible class identity: Ethnographic examination of a school. Economic & Political Weekly, L (8), 36-39.
4. Radhakrishna, R. (2015, October 10). Well – being, inequality, poverty and pathways out of poverty in India. Economic & Political Weekly, L (41), 59-71.
5. Sen A. (1985) Commodities and capabilities. Amsterdam: North-Holland.

Researcher

WADIKAR AMIT SURESHRAO

Research guide

DR. ASHOK TIPARSE

HEAD OF DEPT. OF ECONOMICS DEGLOOR COLLEGE DEGLOOR